

Larry E. Craig, Chairman
Jade West, Staff Director

Legislative Notice

Editor, Judy Gorman Prinkey

No. 11

May 2, 1997

S. 672 – Supplemental Appropriations and Rescissions Act, FY97

Calendar No. 43

Reported by the Committee on Appropriations on April 30, 1997, by a mostly party-line vote of 16-12 (Senators Boxer and Dorgan voted yea; Senator Gregg voted nay). (S. Rept. 105-16)

NOTEWORTHY

- S. 672, the Senate bill, as reported, includes \$7.7 billion in discretionary spending and total rescissions of \$7.7 billion which offsets the new discretionary budget authority recommended in the bill (see chart, page 10).
- The bill includes \$5.6 billion in emergency appropriations for natural disasters, \$1.8 billion for defense accounts, and \$274 million in non-emergency discretionary supplemental funds.
- The bill includes \$753 million for veterans compensation and pensions and \$125 million for SSI. The bill creates a \$125 million block grant to provide SSI benefits for elderly and disabled legal immigrants to meet anticipated demands for an additional two months beyond the August 22 statutory eligibility cutoff created by last year's welfare reform bill. This provision was added at the request of the leadership.
- S. 672 contains language providing "safety net" continuing resolution for FY98 to prevent a government shutdown in the event the regular annual appropriations acts are not enacted into law by October 1, 1997, with funding at 98 percent of the previous year's appropriations. A motion to strike this provision is anticipated.
- Also, S. 672 includes language (1) to waive endangered species provisions for the operation and repair of flood control projects damaged by recent floods; (2) to bar funding for the use of sampling data in the next census; and (3) to tighten last year's moratorium on Interior's effort to revoke certain rights-of-way on federal lands. Expect floor amendments on these issues.

HIGHLIGHTS

Listed below are the major components of S. 672:

Spending	Offsets
\$1.8 billion, Bosnia peacekeeping	\$1.8 billion rescissions and unused defense funds
\$5.6 billion, disaster assistance (includes \$3.5 billion for FEMA and \$547 million for Army Corps of Engineers)	\$3.65 billion rescission in public housing funds \$778 million unused airport improvement funds \$588 million unused rail and bus funds \$365 million rescission in NASA facilities funds
\$197 million, national park repairs	\$271 million unused transit funds
\$125 million, SSI assistance to legal aliens	\$85 million rescission in FHA general program
\$100 million, UN payment	\$30 million reduction, Corps of Engineers
\$58 million, WIC program	\$28 million rescissions, Energy Department
\$31 million, D.C. schools and police	(clean coal \$17 million; SPR \$11 million)

The House Appropriations Committee reported their supplemental bill, H.R. 1469, on April 29th, and the House is expected to consider it on Wednesday, May 7th.

BILL PROVISIONS

Title I--Department of Defense

Appropriations

- The Committee appropriated a total of \$1.8 billion as follows: \$1.7 billion for contingency operations in Bosnia and Southwest Asia; \$20 million for POW payments and \$72 million for the Reserve Mobilization Income Insurance Fund and \$50 million (see Section 103) plus \$6.5 million (see Section 105). This is \$293 million less than the requested amount of \$2.1 billion, which included \$2 billion for Bosnia and Southwest Asia.
- In providing the funding, however, the Committee funded military personnel requirements for the Bosnia and Southwest Asia operations from the respective service (Army, Navy, Marine Corps, and Air Force Military Personnel) accounts, and included only operations and maintenance funding in the "Overseas Contingency Operations Transfer Fund" account.

- The Committee also believes that the request for drawdown recovery costs should not be included under the emergency appropriation designation. However, it decided to provide funding for drawdown costs linked to either Bosnia or Southwest Asia, and encouraged the DoD to resubmit the remaining requirements for reprogramming consideration.
- Changing past procedure, the Committee directed a subdivision of the Overseas Contingency Operations Transfer Fund to identify costs by individual contingency operation, with the requirement that the Under Secretary of Defense (Comptroller) notify the Committee 30 days prior to the DoD expecting to exceed the total allotment for a given contingency. This change was proposed to place cost controls on contingency operations. At the same time, the quarterly reporting requirement is retained.
- The Committee report includes a "General Provision" (Sec. 106) prohibiting the obligation of any funds in support of operations or activities in Bosnia 60 days after enactment of this act, unless the President submits a comprehensive cost report to Congress outlining all expenditures in Bosnia since December 1, 1995.

Department of Defense Offsets

The Committee recommends a number of rescissions to fully offset the cost of contingency operations and funding increases requested by the DoD. They are as follows:

- \$389 million, based on the increased value of the dollar relative to foreign currencies in countries where the DoD operates;
- \$284 million, based on lower than projected levels of inflation; and,
- \$225 million from "expiring balances," where appropriation amounts in individual accounts will expire because the funds remain unobligated when the period of availability ends.
- In addition, the Committee recommends rescissions totaling \$666 million from certain programs based on program delays, contract savings, reevaluation of project priority, slow execution, or program restructuring. Some of these are:
 - \$69 million from the 1997 Army Missile Procurement account for the Army Tactical Missile System (ATACMS);
 - \$150 million from the 1997 Air Force Missile Procurement account for the Titan IV program restructure;
 - \$100 million from the 1997 Air Force's Research, Development, Test and Evaluation (RDT&E) classified program; and,
 - \$80 million from the National Imaging and Mapping Agency's (NIMA) RDT&E, Defense-Wide, 1997 account.
- The Committee specifically denied the administration's request to rescind \$62 million of FY 1997 funds appropriated for the "National Guard and Reserve equipment" account, and directs that these funds be immediately released to the National Guard Bureau for programmed obligations.

Title II--Natural Disasters and Other Emergencies

Department of Agriculture

- Emergency Conservation Program: \$77 million (\$40 million over the President's request) to provide cost-sharing assistance to farmers and ranchers whose farmland was damaged by flooding and other natural disasters.
- Watershed and Flood Prevention Operations: \$161 million (\$76.9 million over the President's request) to reduce hazards to life and property in watersheds damaged by recent and prior-year disasters.
- Rural housing assistance (\$4 million) and rural utilities assistance (\$6.5 million).
- Forest Service: \$67.4 million for construction and repairs to the national forest system.

Department of Commerce

- Economic Development Assistance: \$54.7 million for emergency grants, of which \$45 million is to provide assistance to areas whose economies have been undermined by natural disasters and other dislocations.
- National Oceanic and Atmospheric Administration: \$10.8 million for severe damage to fish hatcheries in the Pacific Northwest due to flooding and other natural disasters.

Department of Defense

- Corps of Engineers: Total of \$547 million, including \$390 million for flood control and coastal emergencies; \$20 million for dredging and emergency flooding needs in the lower Mississippi River and its tributaries as a result of the severe flooding in the Ohio River basin; and \$137 million for repairs of damage caused by the winter flooding in the Pacific Northwest, California, Texas, and Ohio River Valley to navigation channels and harbors, locks and dams, reservoirs, and flood control channels.

Department of Interior

- Bureau of Reclamation: \$7.4 million to repair damage to facilities that occurred during the winter flooding in the western States, particularly California and Nevada.
- Bureau of Land Management: A total of \$4.8 million (of which \$4.4 million is derived by transfer of unused funds) for road and bridge repairs due to snow and flood damage.

- U.S. Fish and Wildlife Service: \$91 million for construction; \$5 million for land acquisition; and \$3.4 million for resource management.
- National Park Service: \$187.3 million, of which \$176 million is for the repair and replacement of facilities and grounds at Yosemite National Park. Also, Title II of the bill provides an additional \$10 million nonemergency appropriation for phase 2 of the Yosemite transportation plan proposed by the administration (which is offset by a rescission of clean coal technology funds).
- U.S. Geological Survey: \$4.7 million for repair at hydrologic streamflow measurement stations.
- Bureau of Indian Affairs: \$20.5 million for operation of Indian programs and emergency construction repairs related to flood and snow damage. Also, the Committee provides \$3 million to the Indian Health Service (no funds were requested by the administration).

Department of Transportation

- Federal Highway Administration (FHA): \$650 million for emergency relief activities of the FHA to repair highway damage resulting from floods. The Committee has included bill language lifting the \$100 million limit on obligations per state for the December 1996-97 flooding in impacted states.
- National Transportation Safety Board (NTSB): \$14.1 million for the TWA flight 800 accident investigation costs directly attributable to the NTSB.

Department of Housing and Urban Development

- Community Planning and Development: \$100 million for community development block grant funds to remain available until September 30, 2000, for emergency expenses resulting from flooding.

Federal Emergency Management Agency

- For FEMA disaster relief, \$3.5 billion to cover the current estimate of the costs arising from disasters occurring in FY97 and including those projected for the balance of FY97 based on the 5-year historical average cost of disaster relief. Bill language is included prohibiting the expenditure of \$2.5 billion of the funds provided herein until the FEMA Director submits his legislative proposal to control disaster relief costs (see below). The Committee notes that sufficient funds are made available to meet all anticipated obligations this fiscal year.
- According to the committee report, "The number of major disaster declarations in the 1992-96 period has increased 54 percent above the preceding 5-year period; and FEMA's calculation of the 5-year historical average cost of disaster relief for FY98, excluding the

Northridge earthquake, is \$2.3 billion, an increase of 28 percent over last year's 5-year average of \$1.8 billion. FEMA acknowledges that the escalation in costs is due not only to the increase in large-scale disasters, but also because 'the scope of Federal disaster assistance has expanded, the Federal role in response has expanded considerably, and State and local governments are increasingly turning to the Federal Government for assistance'." In response to repeated congressional directives to submit proposals to reform this program to be fiscally responsible, the FEMA Director has committed to submitting a comprehensive proposal, including proposed legislation, by July 4, 1997. The committee report goes on to say, "Should the Agency fail to meet this deadline, the Committee will be forced to take steps to effectuate cost savings at FEMA, including a reduction to FEMA's operating programs.

Department of Health and Human Services

- Public Health and Social Services Emergency Fund: \$15 million for the purpose of supporting multicenter research studies on environmental risk factors associated with breast cancer and factors related to regional variations in breast cancer incidence and mortality. The Committee requests the Secretary to provide a report on the research plan and allocation methodology accompanying these additional funds by July 1, 1997.

Title III--Other Supplementals

Department of Agriculture

- Farm Service Agency: \$12.6 million to subsidize the cost of farm operating direct loans. This amount will fund an estimated additional \$100 million in direct loans for FY97.
- Food and Consumer Service: \$58 million for the special supplemental nutrition program for Women, Infants, and Children (WIC). This additional amount is sufficient to fund the estimated 444,000 shortfall in state agency projected caseload maintenance requirements for the balance of FY97.

Department of State

- International Organizations and Conferences: \$100 million as a down payment for the United Nations intended to bolster diplomatic efforts to negotiate a reduction in U.S. contributions to the U.N. However, the bill prohibits the obligation or expenditure of the money until specifically authorized. Also, the Secretary of State is directed to report to the Committee on its success in lowering our arrears to the U.N. not later than June 15, 1997, and to report a list of offsets for any outstanding arrears which the administration wishes to fund in FY98 or future years.

District of Columbia

- Federal Payment to the District of Columbia: \$31.2 million, of which \$22.4 million is for emergency capital improvements to those D.C. public school facilities that have the most immediate facility improvement needs. The balance of \$8.8 million is for the Metropolitan Police Department to be used for a 10-percent pay raise for police officers.

Department of Interior

- National Park Service: \$10 million in nonemergency funds for implementation of phase 2 of the Yosemite Valley transportation plan. This amount is offset by a rescission of funds from the clean coal technology program.

Department of Transportation

- Coast Guard: \$6.5 million for TWA flight 800 accident search and rescue, salvage operations support, etc; and \$4.2 million for Coast Guard retired pay.
- Federal Aviation Administration: \$15.5 million for the grants-in-aid for airports to make funds available for the unanticipated costs incurred by state and local agencies related to support efforts in the 1996 ValuJet flight 592 and TWA flight 800 air tragedies.
- Federal Highway Administration: \$933.2 million in additional Federal-aid highway obligational authority for FY97.

U.S. Postal Service

- Payment to the Postal Service Fund: \$5.4 million in FY98 for payment to the postal service fund.

Federal Election Commission

- Although the President requested \$1.7 million for "startup costs associated with investigations and audits pursuant to the Federal Election Campaign Act," the Committee did not provide any funds.

Department of Education

- Education for the Disadvantaged: \$198.2 million in additional funding for Title I grants to local education agencies to prevent some of the poorest states from losing Title I funds due to the Department's decision to use a blended rate in calculating Title I allocations.

April 30, 1997

Supplemental Comparison

New budget authority (net)

Discretionary	Request	House Reported (H.R. 1469)	Senate Reported (S. 672)	Senate reported vs. House
Title I -- Department of Defense	2,098,214,000	2,039,880,000	1,805,480,000	-234,400,000
Title II -- Natural Disasters & Other Emergencies	2,338,679,000	5,508,872,000	5,581,847,000	+72,975,000
Title III -- Other Supplementals	123,092,000	113,500,000	273,576,000	+160,076,000
Title IV -- Department of Defense Offsets:				
Unspecified reductions	-4,800,000,000	—	—	—
Rescissions	-72,000,000	-2,040,347,000	-1,805,943,000	+234,404,000
Title V -- Other Offsets	<u>-391,111,000</u>	<u>-5,622,372,000</u>	<u>-5,855,800,000</u>	<u>-233,428,000</u>
Total Discretionary	-703,126,000	-467,000	-840,000	-373,000

Prepared by the Senate Appropriations Committee